

Cost Proposal - Labor Escalation

The most recent Global Insight recommendation for labor escalation is 3.0%. Clauses in Section L describes the circumstances where we will apply this rate in evaluating cost realism of contractor proposals.

Calculation of the mid-point escalation factor for Non-SCA rates is based on the effective date of the labor rates proposed and calculation of the mid-point escalation factor for SCA rates is based on the planned award date.

For SeaPort orders, the proposed escalation factor is compared to the Global Insight escalation rate. The higher of these two rates (the Global Insight rate and the proposed rate) is applied for a cost realism evaluation. However, if this rate exceeds the SeaPort-e maximum, the SeaPort-e maximum rate is applied.